

REFERENCE TITLE: CORP; joinders; credited service

State of Arizona
House of Representatives
Forty-eighth Legislature
Second Regular Session
2008

HB 2116

Introduced by
Representative McClure

AN ACT

AMENDING SECTION 38-902, ARIZONA REVISED STATUTES; RELATING TO THE
CORRECTIONS OFFICER RETIREMENT PLAN.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 38-902, Arizona Revised Statutes, is amended to
3 read:
4 38-902. Joinder agreement
5 A. County detention officers and nonuniformed employees of a sheriff's
6 department whose primary duties require direct contact with inmates may
7 participate in this plan if the board of supervisors of the county enters
8 into a joinder agreement with the fund manager to bring such employees into
9 this plan. The joinder agreement shall be in accordance with the provisions
10 of this plan. All such employees shall be designated for membership in the
11 joinder agreement unless written consent to the contrary is obtained from the
12 fund manager.
13 B. City or town detention officers may participate in this plan if the
14 governing body of the city or town enters into a joinder agreement with the
15 fund manager to bring its detention officers into this plan. The joinder
16 agreement shall be in accordance with the provisions of the plan. The
17 governing body of the city or town shall designate all detention officers for
18 membership in the plan unless written consent to the contrary is obtained
19 from the fund manager.
20 C. Full-time dispatchers may participate in this plan if the governing
21 body or agency of the employer of an eligible group as defined in
22 section 38-842 enters into a joinder agreement with the fund manager to bring
23 its full-time dispatchers into this plan. The joinder agreement shall be in
24 accordance with the provisions of this plan, EXCEPT THAT FOR THOSE
25 DISPATCHERS DESIGNATED FOR MEMBERSHIP IN THE PLAN ON THE JOINDER DATE ALL
26 CREDITED SERVICE FROM ANY OTHER ARIZONA DEFINED BENEFIT STATE RETIREMENT
27 SYSTEM OR PLAN SHALL BE TRANSFERRED TO THE CORRECTIONS OFFICER RETIREMENT
28 PLAN. The governing body or agency of the employer shall designate all
29 full-time dispatchers for membership in the plan except for a full-time
30 dispatcher who signs an irrevocable agreement before the joinder agreement
31 becomes effective electing not to become a member of the plan. A full-time
32 dispatcher employed by an employer who becomes eligible for membership in the
33 plan pursuant to this section may elect to participate in the plan within the
34 deadlines and pursuant to the terms prescribed for such participation by the
35 fund manager.
36 D. Probation, surveillance and juvenile detention officers may
37 participate in this plan if the administrative office of the courts enters
38 into a joinder agreement with the fund manager to bring its probation,
39 surveillance and juvenile detention officers into this plan. The joinder
40 agreement shall be in accordance with the provisions of this plan. The
41 administrative office of the courts shall designate all probation,
42 surveillance and juvenile detention officers for membership in this plan
43 unless written consent to the contrary is obtained from the fund manager.

1 E. The new employer shall designate the groups of employees who are
2 eligible to participate in the plan and shall agree to make contributions
3 each year that are sufficient to meet both the normal cost of a level cost
4 method attributable to inclusion of its employees and the prescribed interest
5 on the past service cost for its employees.

6 F. Before the execution of any joinder agreement each employer
7 contemplating participation in the plan shall have an actuarial valuation
8 made, which is payable by the employer, to determine the estimated cost of
9 participation in accordance with section 38-894.

10 G. Assets under any existing public employee defined benefit
11 retirement program, except a military retirement program, that are necessary
12 to equal the actuarial present value of projected benefits to the extent
13 funded on a market value basis as of the most recent actuarial valuation
14 attributable to the employer's designated employee group, calculated using
15 the actuarial methods and assumptions adopted by the existing public employee
16 retirement program, shall be transferred from the program to this fund no
17 later than sixty days after the employer's effective date. That portion of
18 the transferred assets that is attributable to employee contributions,
19 including interest credits, shall be properly allocated to each affected
20 employee of the employer and credited to the employee's initial accumulated
21 contributions in accordance with a schedule furnished by the employer to the
22 fund manager.

23 H. IF AN EMPLOYEE HAS ELECTED TO PURCHASE CREDITED SERVICE THROUGH A
24 PAYROLL DEDUCTION AGREEMENT IN ANY DEFINED BENEFIT RETIREMENT SYSTEM OR PLAN
25 OF THIS STATE AND AT THE TIME OF THE JOINDER AGREEMENT TRANSFERS TO THE
26 CORRECTIONS OFFICER RETIREMENT PLAN, THE OTHER DEFINED BENEFIT RETIREMENT
27 SYSTEM OR PLAN SHALL TRANSFER TO THE CORRECTIONS OFFICER RETIREMENT PLAN,
28 BOTH ON AN ANNUAL BASIS AND ON NOTIFICATION OF TERMINATION OF THE MEMBER'S
29 EMPLOYMENT, THE TOTAL OF ANY INTEREST AND PRINCIPAL PAID BY THE TRANSFERRED
30 MEMBER FOR THE PURCHASE OF CREDITED SERVICE SINCE THE DATE OF THE MOST RECENT
31 TRANSFER. IF CREDITED SERVICE THAT IS TRANSFERRED FROM THE EMPLOYEE'S
32 PREVIOUS DEFINED BENEFIT RETIREMENT SYSTEM OR PLAN OF THIS STATE DOES NOT
33 FULLY COVER THE COST OF THE BENEFITS ACCRUED RELATIVE TO THE CREDITED SERVICE
34 AS COMPUTED PURSUANT TO SECTION 38-922, THE EMPLOYER IS LIABLE FOR ANY
35 FUNDING DEFICIENCIES.